



CENTRAL INTELLIGENCE AGENCY

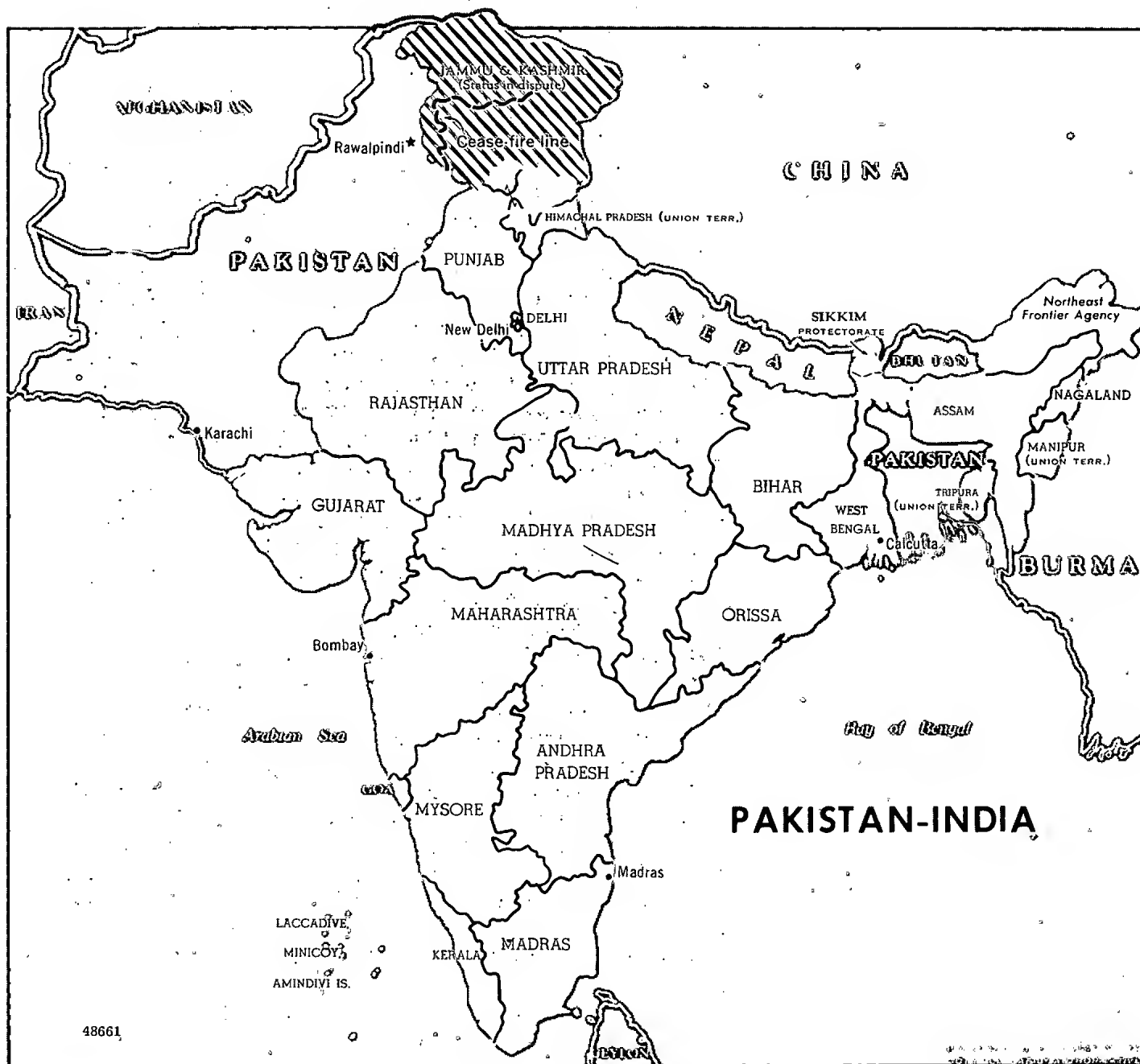
THE PRESIDENT'S DAILY BRIEF



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7 SEPTEMBER 1965

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DAILY BRIEF
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1. India-Pakistan

The exact nature of the fighting is hard to establish from the welter of exaggerated accounts coming out of the two countries.

Indian [redacted] forces are making "steady headway" in the move to invest Lahore. The Pakistani say that this effort has been contained by an effective counterattack. In reality, there was probably little change in the situation on the ground in either the Punjab or Kashmir today.

Reports of an Indian ground attack into East Pakistan are still unconfirmed.

Air activity over both countries was widespread but here again the press releases appear to have outrun the actual extent or destructiveness of the air raids which did take place.

There is no sign of give on either side. Ayub has said he wants no ceasefire. The Indians are propelled by a felt need to refute allegations of their military impotency.

Pakistan has addressed an appeal for help to its allies in the Central Treaty Organization. There are hints that, if only moral support is forthcoming, Pakistan may turn elsewhere.

China, while condemning Indian aggression, has, so far as we know, limited itself to vague propaganda threats. Moscow has again appealed to both sides to cease their war and has offered Soviet good offices.

U Thant is scheduled to leave for the subcontinent tonight.

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2. USSR

[redacted] our economic intelligence experts concludes that the Soviet Union is making no progress toward its fundamental economic goal of catching up with the US.

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[redacted] the Soviet growth rate, double that of the US in the 1950s, has been slowing down in the 1960s and may reach only 3% this year (compared with an expected 4% in the US). Since the US gross national product is twice the Soviet, the absolute gap between the two economies has been widened by some \$60 billion since 1960.

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The Soviet slowdown is the result of intractable economic forces and is not likely to be reversed in the next five years.

Even if the Soviet growth rate averages 4 1/2% over the next five years and the US averages only 4%, the Soviet national product in 1970 would still be half the US. The absolute gap would have widened by another \$60 billion.

3. USSR

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[redacted] Positioning of Soviet instrumentation and space support ships is unique. One possibility is that the Soviets are aiming for a space rendezvous, perhaps timed to precede next month's Gemini flight.

4. Indonesia

A mob of 3-5,000 shouting leftists blocked off all entries to the US Consulate in Surabaya this morning. Although US officials were later able to enter the building, the action is probably the opening phase of the expected left-wing campaign to force the consulate's closure.

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5. Dominican Republic

Concessions by provisional president Garcia Godoy seem to have softened the hostility of the military, at least for the moment. Among other things, Garcia Godoy told them that the present armed forces heads would be retained. He now has hopes of enlisting their help in engineering the removal of General Wessin. To the extent that Garcia Godoy's relations with the military grow warmer, his difficulties with the rebels are apt to multiply.

6. Congo

President Kasavubu has called the new parliament into session on 20 September and this promises to bring matters between him and Tshombé to a head.

Kasavubu has said he will demand Tshombé's resignation as premier prior to the meeting with a promise to reappoint him shortly thereafter. Tshombé is leery of this arrangement, and while he has suffered a number of tactical setbacks recently, he retains a larger following than any other Congolese figure.

7. South Vietnam

Our embassy in Saigon fears some kind of Buddhist reaction to the impressive "Martyrs' Day" observations put on by the Catholics on Sunday. Some 50,000 participated in what the embassy described as an obvious Catholic show of force. Many soldiers in uniform were among the participants and government assistance was conspicuous. In general, however, the government continues trying to avoid identifying itself with either the Catholics or the Buddhists.

Premier Ky continues his effort to reduce graft in government. He warned the military last week that officers found guilty of corrupt practices face dismissal.

Today he publicly warned senior civil officials--and their wives--in a similar vein. He added that corruption is one of the reasons why civil servants are in such disfavor with the people. Thus far, this widely publicized drive against graft has had little positive effect.

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